Form MR-SMO (Revised October 2, 2003)

This Section for DOGM Use: Assigned DOGM File No.:	S 1055 1023
DOGM Lead:	
Permit Fee \$ 150 00	Ck # Pa 8/2/04

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple Suite 1210 Box 145801

Salt Lake City, Utah 84114-5801 Telephone: (801) 538-5291 Fax: (801) 359-3940

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" means mining operations which disturb five or less surface acres at any given time.

	GENERAL INFORMATION (Rule R647-3-104)
1.	Name of Mine: Lucero Red"
2.	Name of Person or Entity Applying for Permit: Quality Building Stone, Inc. Address: 993 W. 147305.
	City, State, Zip: Bluffdale, Utah 84065 Phone: (801) 255 - 2911 Fax: (801) 562 - 9597 E-mail Address: & Stone & arcs. net
	Phone: (801) 233 - 2911 Fax. (801) 362 4311
	E-mail Address. Q Stone & arb. Net
	Company () Corporation () Partnership () Individual () Other () – specify type)
	A corporation must be registered with the State of Utah, Division of Corporations. Are you currently registered to do business in the State of Utah? Yes No
	Business License # 1208 478 - 014 2
	Registered Agent (as identified on business license): Valina Miller
	Address: 993 W 147305.
	City State Zin: Bluckdole 41+44 84065
	City, State, Zip: Bluffdele, Utah 84065 Phone: (801) 255-2911 Fax: (801) 562-9597
	E-mail Address: O Stone & aros. nct
3.	Name of Operator (if different from #2)
	City, State, Zip:
	Phone: Fax:
	E-mail Address:
	NEOLIVED .

MAY 2 8 2004

If Partnership or Inc	dividual:		
	partner:		
Address:			
City, State, Zip:	Fax:		
Name of 2 nd owner	/ Partner:		
City, State, Zip:			
Phone:	Fax		
E-mail Address:			
If Corporation or Li	mited Liability Entity:		Title:
Name of Officers:	Miller		Title President
Velina /	eus cu		Title: Secretary
- 1rish -	ens on		Title:
Ownership of Land	Surface: Public Domain (BLM) ool Sections State	National F Sovereign Land	ds 🗆
Name	Address		
Name	Address		
Name	Address		
Name			
Ownership of Miner			
Private (Fee) 🗹	Public Domain (BLM) □ nool Sections □ State	e Sovereign Land	Forest (USFS) □ ds □
Private (Fee) V F State Trust Land/Sch Other (please describ	Public Domain (BLM) □ nool Sections □ State ne):	e Sovereign Lan	ds 🗆
Private (Fee) State Trust Land/Sch Other (please describ	Public Domain (BLM) □ nool Sections □ State pe): Address	e Sovereign Lan	ds □
Private (Fee) V F State Trust Land/Sch Other (please describ Name	Public Domain (BLM) □ nool Sections □ State ne): Address Address	e Sovereign Lan	ds □
Private (Fee) State Trust Land/Sch Other (please describ Name Name	Public Domain (BLM) □ nool Sections □ State pe): Address	e Sovereign Lan	ds 🗆

	BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s):		
Utah State Lease Number(s):			
	Name of Lessee(s) Quality Building Stone, Inc.		
7.	Have the above surface and mineral owners been notified in writing? No		
	If no, why not?		
Mining ald Exploration	advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and one does not satisfy the notification requirements of Mineral Leases upon State Trust Lands on or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust ministration prior to commencing any activities. Please contact the School Institutional Trust ministration (SITLA) at (801) 538-5508 for notification requirements.		
8.	Does the Permittee / Operator have legal right to enter and conduct mining operations on the land covered by this notice? Yes No		
II. <u>P</u> I	ROJECT LOCATION & MAP (Rule R647-3-105)		
1.	Project Location (legal description):		
С	ounty(ies): Wayne		
<u> </u>	ounty(ies):		
U	TM East (if known) UTM North (If known)		
N	ame of Quad Map for Location: Quad		
2.	in a the leastion of the proposed small mining operation		

The proposed (5 acre or less) disturbed area boundary (including access/haul roads) must be marked in the field ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers must be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

1.	Type of mining: Surface ☑ Underground □
2.	Mineral(s) to be mined: Sandstone Building Stance
3.	Amount of material to be extracted, moved or proposed to be moved:
1.	Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process? Yes No If yes, please describe (add extra pages if needed)
5.	Provide a brief description of the proposed mining operation and onsite
	processing facilities (add extra pages if necessary). <u>Sandstone</u> blocks will be cut in place from rock formation and transported approx 1/8 mile east to a
	processing facilities (add extra pages if necessary). Sandstone blocks will be cut in place from rock formation and transported approx 1/8 mile east to a hoadout area, until such time as they
	processing facilities (add extra pages if necessary). <u>Sandstone</u> blocks will be cut in place from rock formation and transported approx 1/8 mile east to a
6.	processing facilities (add extra pages if necessary). Sandstone blocks will be cut in place from rock formation and transported approx 1/8 mile east to a hoadout area, until such time as they
 7. 	processing facilities (add extra pages if necessary). Sandstone blocks will be cut in place from rock formation and transported approx 1/8 mile east to a hoadout areas until such time as they are transported to a processing facility.
	processing facilities (add extra pages if necessary). Sandstone blocks will be cut in place from rock formation and transported approx 1/8 mile east to a Loadout area: until such time as they are transported to a processing facility. New Road(s): Length (ft) Width (ft)
7.	processing facilities (add extra pages if necessary). Sandstone blocks will be cut in place from rock formation and transported approx 1/8 mile east to a Loadout area, until such time as they are transported to a processing facility. New Road(s): Length (ft) Width (ft)

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining:

- 1. Keep the mining operation in a safe, clean, and environmentally stable condition.
- Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.
- 3. Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.
- 4. Construct berms, fences, or barriers, when needed, above highwalls and excavations.

- Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.
- Remove all waste or debris from stream channels. 6
- Dispose of any trash, scrap metal, wood, machinery, and buildings. 7
- Conduct mining activities so as to minimize erosion and control sediment. 8.
- Reclaim all roads that are not part of a permanent transportation system. 9.
- 10. Stockpile topsoil and suitable overburden prior to mining.
- 11. Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.
- 12. Properly prepare seedbed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.
- 13. Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)
- 14. Plant the seed with a rangeland or farm drill, or broadcast the seed. Fall is the preferred time to seed.

VARIANCE REQUEST (Rule R647-3-110) V.

Yes No D

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above, should be identified below and justification given for the variance request(s).

Item Number	Variance Request Justification	
10	Lacks Topsoil	
12	Surface Material is Rock	

SURETY (Act 40-8-7 [c]) VI.

The Utah Mined Land Reclamation Act (40-8-7 [c]) provides the authority that all mining operations furnish and maintain reasonable surety to guarantee that the land affected is reclaimed according to approved notices consistent with on-site conditions. The surety amount is based on the following average calculations. These amounts are used as a general guide and may take individual discretionary judgment into consideration. \$5,000 for the 1st acre; and

\$3,000 for each additional acre.

Note: Partial acreages are rounded up to the next highest #.

The surety must be provided to the Division prior to commencement of operations.

PERMIT FEE [Mined Land Reclamation Act 40-8-7(i)] VII.

The Utah Mined Land Reclamation Act of 1975 [40-8-7 (I)] provides the authority for the assessment of permitting fees. Commencing with the 1998 fiscal year (July 1 - June 30), and revised July 1, 2002, permit fees are assessed to <u>new</u> and <u>existing</u> notices of intention, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and released by the Division.

Exploration Notices require a \$150.00 fee which must accompany this application or it cannot be processed by the Division.

NOTICE: The following person(s) are authorized and designated to receive Notices of Violations. Cessation Orders and all other Notices required by the Division to be given to the permittee or operator:

Name: Wes Hanson Address: 993 w. 147305.	
Address: 793 W. 17 1905.	84665
City, State, Zip: Bluff dele Ut Phone: (801) 255 - 2911' E-mail Address:	Fax:
E-mail Address:	The second secon
Name:	
Address:	
City, State, Zip:	
Phone:	Fax:
E-mail Address:	

VIII. SIGNATURE REQUIREMENT

I hereby verify that the foregoing information is true and accurate and commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.

I have enclosed the required permit fee. I have also enclosed the appropriate reclamation surety amount or have made arrangements as to when the surety will be furnished. I further understand that I am not authorized to create any surface disturbance until the surety amount is posted and I have received written approval from the Division of Oil, Gas and Mining and any other authorized regulatory agency.

(Note: If a company or corporation, this form must be signed by the owner or officer who is authorized to bind the company/corporation to this Notice.)

Signature of Permittee/ Operator/ Applicant:

Name (typed or printed):

Wes Hausen

Title/Position (if applicable):

Operations Manager

Date:

May 28, 2064

